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25X1A. **TO:** [REDACTED] Deputy Director (Support)
SUBJECT: Utilisation of Contract Personnel
REFERENCE: A. [REDACTED] Contract Employees
 B. [REDACTED] Independent Contractors

1. INTRODUCTION:

This memorandum contains recommendations submitted for ID/P approval. Such recommendations are contained in paragraphs 7a and 7b.

2. PROBLEMS:

At the present time, considerable confusion exists relative to the utilization of individuals on a contractual basis--the various categories of contract personnel, the benefits available to each category, the Agency's responsibilities to each type, and the proper utilization of each category. As a corollary to this is the problem of inducing career agents who are long-term assets to remain in place. (See Tab A, "Career Agents".) A review of material on this subject submitted by the Divisions and Staffs in the DD/P indicates one outstanding problem--that of providing a retirement program for those contract agents who have proved to be long-term assets--the resolution of which demands a policy decision.

3. ASSUMPTION:25X1A
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That the proposed regulations [REDACTED] as well as the corresponding [REDACTED] will be published without major alterations.

4. FACTS BEARING ON THE PROBLEM:

- a. The DCI has indicated that, as a matter of policy, we must utilize various incentives with those contract agents who have proved themselves to be good long-term assets to stimulate their interest in remaining in place indefinitely. Usually granting of staff status in these cases is neither feasible nor desirable.

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APPENDIX Utilisation of Contract Personnel

25X1A9a b. There are currently [] career agents and in addition [] other contract agents employed by the D/P. These career agents are all covered by the Civil Service Retirement Act. However, the other contract agents are not covered under the Social Security Act or the Civil Service Retirement Act since they are independent contractors and, as such, are ineligible for coverage as employees of the U. S. Government.

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c. The following benefits are currently available to provide incentive where needed, i.e., for the long-term assets: insurance, both health and life; leave, both annual and sick; salary increases at any time it is deemed advisable; indefinite contract arrangements when the agent has proven his value; education allowances for dependents; quarters allowances, post differentials, bonuses, and resettlement.

d. Each Division and Staff of D/P has a knowledgeable representative in its Personnel Office who handles contract employment and advises and assists the same officers as well as the senior operating officials on the subject.

e. The SSA-DO/B has kept the D/P Divisions and Staff Personnel Officers advised on all latest developments in connection with the contract personnel problem at the policy level. For example, on 8 February 1956, the SSA-DO/B prepared for D/P Divisions and Staffs a compilation from the current regulations on contract personnel (see Tab A). Basically, these extracts pertained to Career Agents, Contract Agents, and Contract Employees, indicating for each category the compensation, benefits, allowances, travel, etc., and their application. At the time of dissemination, discussions were held separately with the Chiefs of Administration and the Personnel Officers to insure uniform application.

5. DISCUSSION:

In spite of efforts to disseminate information concerning available benefits, it is evident from discussions, staff meetings and the like, that all the information available is not reaching the proper targets. Many individuals, both senior and junior personnel, who should have command of this knowledge have not been reached.

6. CONCLUSIONS:

a. Retirement benefits should be made available as incentives to those contract agents who have proved themselves to be long-term assets. This could be done either by including such personnel in the Civil Service Retirement system or by establishing a plan whereby the Agency purchases a retirement annuity policy for such proven agents. Merely as an indication of the possibilities in this regard, a

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SUBJECT: Utilization of Contract Personnel

payment of \$500 per annum in premiums for a man 35 years old until age 60 would pay the agent concerned \$73.40 per month for the remainder of his life.

- b. A program of formal briefings should be initiated to augment the established methods of dissemination of information concerning contract personnel.

7. RECOMMENDATIONS:

- a. It is recommended that a Task Force composed of a D/P representative, a person from the Contract Personnel Division, and a member of the Benefits and Casualty Division study the entire retirement problem as it relates to contract agents and recommend the best solution.
- b. It is recommended that simultaneous with the publication of the new regulations and the handbook on contract personnel, a selected group consisting of a representative from the Contract Personnel Division, one from Central Cover Branch, and one from SSA-DD/S conduct seminar-type briefings with each Division and Staff to educate all concerned on the subject of contract personnel.

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[REDACTED]
Acting Special Support Assistant
to the
Deputy Director (Support)

CONCUR:

[REDACTED] Director: Contract Personnel Division and Benefits and Casualty Division have been instructed to proceed with studies of retirement and insurance plans for contract agents rather than establishing a formal Task Force.

The recommendations in paragraphs 7a and 7b are approved.

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[REDACTED]
L. M. DeLoach
Deputy Director
(Support)

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